



ODYSSEY ENERGY LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 29 APRIL 2010

MARCH 2010 QUARTERLY REPORT

The Board of Odyssey Energy Limited (“Odyssey” or “Company”) is pleased to present its March 2010 quarterly report.

The Company continues to focus on identifying new business opportunities in the energy sector, and examined a number of oil and gas and other energy projects during the quarter. Further announcements will be made to the market regarding new business activities as required.

Activities on the Company’s McClain County Project are currently being limited to desktop reviews of geological information. The Board notes the recent increase in gas prices, and will continue to monitor the gas price in the USA. A continued and sustained increase in the gas price in the USA may justify additional exploration activities.

Entitlements Issue

In March 2010 the Company announced that it will undertake a 1 for 1 non-renounceable entitlements issue to raise up to \$2.74 million, before expenses to enable the Company to continue exploration activities and to pursue new opportunities in the resources sector.

Shareholders will be entitled to acquire one new ordinary Odyssey share for every existing Odyssey share held at the record date. New shares under the entitlements issue will be offered at \$0.03 per share. One option will also be granted for every two new shares subscribed for at no further consideration. These options will be exercisable at \$0.05 on or before 31 December 2014.

The Company has also entered into an agreement to convert up to \$1 million of debt and associated accrued interest into shares in the Company on the same terms as the rights issue, being a conversion price of \$0.03 and an associated one for two option and a right to participate on an equivalent basis to the entitlements issue. The conversion is subject to shareholder approval.

The prospectus for the rights issue is currently being prepared and is expected to be issued in May 2010.

Enquiries-

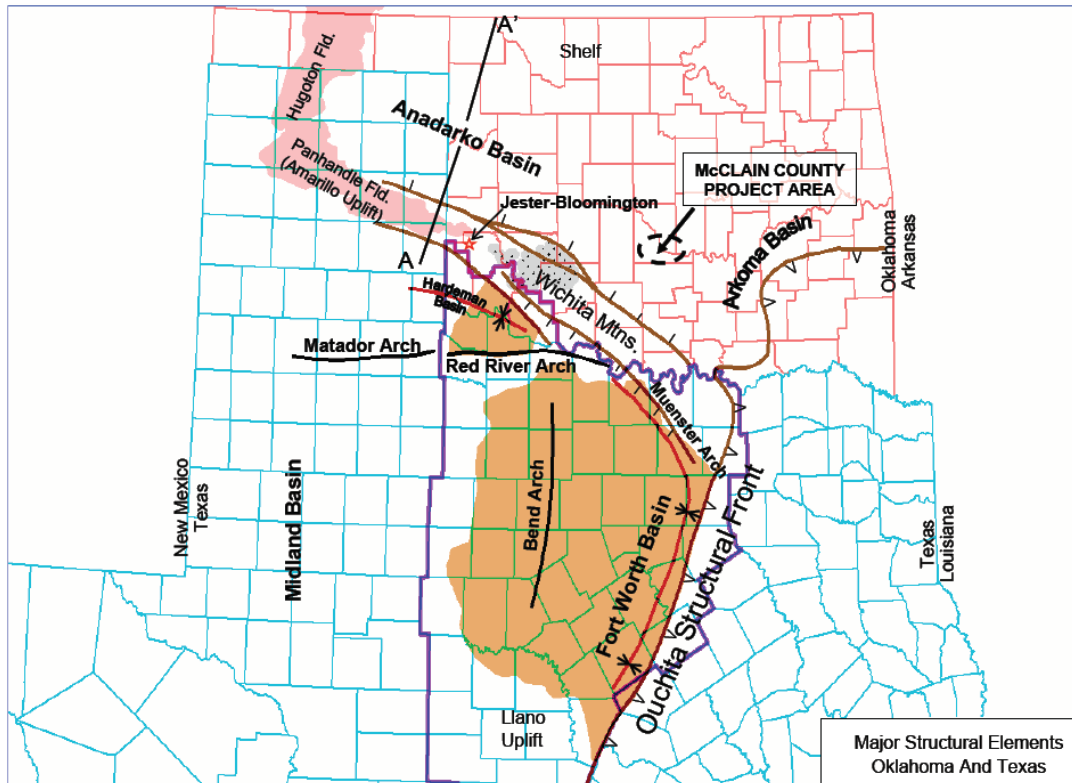
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Company Secretary
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Operations - McClain County Project – Odyssey 50% WI:

In mid 2008 Odyssey acquired a 50% working interest in a new project area in Oklahoma comprising 1,626 gross acres, and targeting gas and associated oil in the Woodford Shale at between 6,000 and 8,000 feet.

The Company is undertaking desktop geological and other technical studies which will, initially focusing on the results achieved by other operations in the area.



McClain County Oil & Gas Project, South-Central Oklahoma

Corporate

Business Development

The Company continues to examine new business opportunities in the energy sector, both domestic and overseas.

Investments

The Company continues to hold 27.5 million shares in Marion Energy Limited which it received following the sale of its subsidiary OEL Operating (USA) ("OEL") to Marion.

Marion announced a reserves report (see ASX release dated 30 April 2009) with revised Proved and Probable (2P) reserves of 225 Bcf (3P reserves are 243 Bcf). In January 2010, Marion announced that it has recommenced production at the Clear Creek project, where its activities are expected to increase over the coming months.

Marion has advised that it is undertaking a 1 for 2 rights issue. The Board will make a decision on participating in the rights issue when further details are announced by Marion, including the rights issue timetable and any updates on operational and corporate activities.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ODYSSEY ENERGY LIMITED

ABN

71 116 151 636

Quarter ended ("current quarter")

31 MARCH 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) administration	(8)	(67)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(64)	(192)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) - Business Development	(12)	(14)
Net Operating Cash Flows	(84)	(273)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) - Sale of assets expenditure	(9)	(27)
Net investing cash flows	(9)	(27)
1.13 Total operating and investing cash flows (carried forward)	(93)	(300)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(93)	(300)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	70	280
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) - capital raising expenses	-	-
	Net financing cash flows	70	280
	Net increase (decrease) in cash held	(23)	(20)
1.20	Cash at beginning of quarter/year to date	34	31
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	11	11

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include consulting fees, directors fees, company secretarial services and provision of a fully serviced office.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	1,000	920
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	25
4.2 Development	-
Total	25

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	11	34
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	11	34

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	58,154,000	58,154,000	Not applicable	Not applicable
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	4,346,000	-	Not applicable	Not applicable
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: 29 April 2010
(~~Director~~/Company secretary)

Print name: MARK PEARCE

Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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